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2005 NOV 21 A 9:47

Hearings Unit, DIC  
Patricia D. Petersen  
Chief Hearing Officer

IN THE OFFICE OF THE INSURANCE COMMISSIONER  
STATE OF WASHINGTON

In the Matter of

U. S. LIFE INSURANCE COMPANY OF  
THE CITY OF NEW YORK

OIC MATTER NO. G05-66

DEMAND FOR HEARING

**I. DEMAND FOR HEARING**

United States Life Insurance Company of the City of New York ("U. S. Life") is an admitted insurer in the State of Washington with a valid Certificate of Authority. Pursuant to RCW 48.04.010(1)(b), U. S. Life requests a hearing on OIC Matter No. G05-66 Order Suspending Certificate of Authority No. 186 and the subsequent partial rescission of that order.

**II. U.S. LIFE IS AGGRIEVED BY THE OIC ACTS**

The order suspending Certificate of Authority No. 186 and the subsequent OIC action partially rescinding that order caused prejudice to U.S. Life in that the Certificate was

DEMAND FOR HEARING – 1

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1 suspended without proper notice as required by RCW 48.05.150 Further, the improper  
2 suspension requires U.S. Life to give formal notification to other regulators that an Order of  
3 Suspension was entered. This calls into question U.S. Life's status and imposes substantial  
4 reporting burdens on U.S. Life all to the prejudice of the company.

### 5 **III. GROUNDS RELIED UPON FOR RELIEF**

6 By letter dated July 31, 2002, (Copy Attached as Ex. 1) U.S. Life Insurance Company of  
7 the City of New York gave formal notification to the Washington Office of the Insurance  
8 Commissioner of its official address. The purpose of such notification is to assure that formal  
9 notices and communications from the Washington Office of the Insurance Commissioner to U.S.  
10 Life are directed to the appropriate and responsible person at the correct address.

11 On August 30, 2005, the State of Washington suspended United States Life in the City of  
12 New York ("U.S. Life") for failure to timely file its complete 2004 annual financial statement.  
13 Washington is one of only two states that require insurers to file annual financial statements  
14 electronically. This requirement was introduced in 2004. U.S. Life's annual financial  
15 statements were complete and a timely transmission to Washington was made on February 28,  
16 2005. Technical difficulties with the electronic transmission of the annual statement resulted in  
17 Washington receiving only a portion of the filing. Washington has acknowledged that over 700  
18 insurers encountered the same problem. Instead of directing notice to the U.S. Life statutory  
19 home office in New York, the Washington sent OIC notices to a U.S. Life PO Box in Neptune,  
20 New Jersey. Although that alternate address was a U.S. Life facility, the OIC addressed the  
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DEMAND FOR HEARING – 2

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1 correspondence to an individual who was not located at that address and who had never been  
2 identified as available at that address by U.S. Life. U.S. Life has no record of receiving these  
3 notices. U.S. Life became aware of the suspension from a third party on September 6 and that  
4 same day refiled the annual financial statement. Washington rescinded the suspension effective  
5 September 6, 2005..

6 The Washington OIC ignored the notification of Home Office address and directed  
7 correspondence to an alternate company address and to an individual who neither resides, works  
8 at, nor is connected with that address. As a consequence, the OIC correspondence never reached  
9 any responsible person at U.S. Life. In fact, it is unknown whether the OIC correspondence was  
10 delivered to any person at U.S. Life.

11 Further, when the OIC apparently recognized its error and attempted to send notification  
12 to U.S. Life at its home office it sent the notification to an incorrect address that was never  
13 provided to the OIC. At all times material, the home and administrative office address provided  
14 by U.S. Life to the Washington Office of the Insurance Commissioner is and was:

15 U.S. Life Insurance Company in the City of New York  
16 830 Third Avenue, 7<sup>th</sup> Floor  
17 New York, NY 10022

18 The OIC never utilized this address in any communications material to this dispute.

#### 19 IV. RELIEF REQUESTED

20 The U.S. Life Insurance Company of the City of New York requests that the order  
21 suspending Certificate of Authority be vacated.

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**V. OFFICE OF ADMINISTRATIVE HEARINGS**

Pursuant to RCW 48.04.010(5), U.S. Life hereby demands that this hearing be presided over by an Administrative Law Judge from the Office of Administrative Hearings.

Respectfully Submitted this 18 day of November, 2005.

CARNEY BADLEY SPELLMAN, P.S.

By 

Timothy J. Parker, WSBA # 8797

Attorney for U.S. Life Insurance Company of the  
City of New York

DEMAND FOR HEARING – 4

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